

## Marco Polo II Programme - Frequently Asked Questions (FAQ)

Version as of 11 December 2008

### 1. About the programme

- a) What is the Marco Polo programme?
- b) What type of projects can be supported by Marco Polo II?
- c) What is the history of the Marco Polo I and II programmes?
- d) In what aspects does the Marco Polo II programme differ from its predecessor Marco Polo I?
- e) Who manages the Marco Polo II programme?
- f) How can I request specific information about the Marco Polo II Programme

### 2. Who can participate?

- a) May projects carried out by a single commercial undertaking receive support?
- b) Which countries may participate in the Marco Polo II programme?
- c) Can undertakings from Candidate Countries participate in the Marco Polo II programme?
- d) Which close third countries have concluded special agreements with the EU for full participation in the Marco Polo II programme? What are the effects on contracts?
- e) Can administrations participate in Marco Polo II projects?
- f) Can airports participate as partners?
- g) Which ports are eligible for funding under the Marco Polo action Motorways of the sea?

### 3. Funding and eligible costs

- a) Are national routes eligible?
- b) Is air transport included?
- c) Can the EC-subsidy be given in addition to other public funding?
- d) What about infrastructure?
- e) Can profit-making activities be funded under Marco Polo?
- f) Should a Marco Polo project demonstrate its viability in order to receive funding?



#### 4. Type of projects and Modal Shift

- a) What are the key guidelines for the different actions?
- b) Does the minimum threshold of 250 Million tonne-kms for modal shift actions apply per year?
- c) Can tonnes-km be replaced by another unit in the case of light goods?
- d) How are the modal shift and environmental/social benefits calculated for waterborne routes between a fully participating and a close third country?
- e) Can empty vehicles (or loading units) be counted as freight to be shifted, e.g. on Ro-Ro vessels?
- f) Is there any restriction on eligible modal shifts?
- g) Can the internal industrial re-organisation of a company in changing the mode of transporting their own production from road to another environmentally friendly mode of transport be considered as modal shift?

#### 5. Call for proposals

- a) When can I submit a proposal?
- b) How many calls are foreseen under the Marco Polo II programme?
- c) What is the overall timeline of the 2009 Call for proposals?
- d) What are the key novelties of the 2009 Call for Proposals?
- e) Can I apply for more than one project in a single call?
- f) Will the call texts be available in all languages?
- g) Can applicants submit additional material to their proposal after the deadline of submission?
- h) Is it possible to combine several projects in one application?

#### 6. Additional Information

- a) Is it possible to have some feedback on a project idea in advance of a formal call for proposals?
- b) What will be the consequences of the proposed revision of the Marco Polo II Regulation?



## 1. About the programme

### a) What is the Marco Polo programme?

Marco Polo is the European Union's funding programme for projects which shift freight transport from the road to sea, rail and inland waterways. This means fewer trucks on the road and thus less congestion, less pollution, and more reliable and efficient transport of goods. The current, second Marco Polo programme runs from 2007-13 and is a continuation of the first Marco Polo programme, which ran from 2003-2006.

### b) What type of projects can be supported by Marco Polo II?

Only projects concerning freight transport services may be supported by the Marco Polo programme. Infrastructure projects, research or study projects are not eligible for support. However, also mixed passenger freight services and RoRo Ferries services may be proposed, but the support would then only be given to the freight part.

### c) What is the history of the Marco Polo I and II programmes?

- 4 February 2002: Commission's Proposal for the Marco Polo I programme
- 22 July 2003: Adoption of the Marco Polo I programme
- 2 August 2003: Publication of the Marco Polo I programme in the Official Journal of the EC (O.J. (2003) L 196/1)
- 3 August 2003: Marco Polo I Programme enters into force
- 14 July 2004: Commission's Proposal for the Marco Polo II programme
- 24 October 2006: Adoption of the Marco Polo II programme
- 24 November 2006: Publication of the Marco Polo II programme in the Official Journal of the EC (O.J. (2006) L 328/1)
- 31 December 2006: Marco Polo I programme comes to an end
- 1 January 2007: Start of the Marco Polo II programme

### d) In what aspects does the Marco Polo II programme differ from its predecessor Marco Polo I?

- a) **Wider geographical scope:** Marco Polo II introduces the possibility for all "*close third countries*" to participate fully to the Marco Polo II programme on the basis of supplementary agreements. This means that all third countries having "*a common border with the European Union or with a coastline on a closed or semi-closed sea neighbouring the European Union*" could potentially receive funding from Marco Polo II. Agreements have been concluded between EFTA/EEA countries (Norway, Iceland and Liechtenstein) and they are fully participating to the Marco Polo II programme. It is expected that Croatia will fully participate to Marco Polo II as of the Call for proposals in 2009.
- b) **New Action Types (Motorways of the sea and Traffic avoidance actions):** In addition to the Modal shift, Catalyst and the Common learning actions,



Marco Polo II introduces two new action types: Motorways of the sea action and the Traffic avoidance action.

- c) **Modifications in the funding rules of the Modal shift- and the Catalyst action:** For Modal shift actions, the funding intensity increased from 30% to 35%. For Catalyst actions, the maximum duration of a grant agreement increased from four to five years and the minimum grant threshold changed from €1.5 million to € 2 million.
- d) **Increased budget:** While Marco Polo I had a budget of € 102 million, Marco Polo II has a budget of € 450 million (taking into account the price inflation).
- e) **Extended duration:** Marco Polo I lasted from 1 January 2003 to 31 December 2006. Marco Polo II has a timeframe of 7 years, from 1 January 2007 to 31 December 2013.
- f) **Increased support for ancillary infrastructure:** Marco Polo I limited the possibility to receive financing for "ancillary infrastructure", to a maximum aid intensity of not more than 20% of the total subsidy requested in a project. Marco Polo II does not give any indication or limitation of the maximum funding intensity. The total aid granted in the form of State aid and Community financial assistance in respect of ancillary infrastructure shall not exceed 50 % of eligible costs.
- g) **Special attention to sensitive and metropolitan areas:** The Marco Polo II Regulation stipulates that "*special attention should also be paid to sensitive and metropolitan areas within the geographic scope of the Programme when allocating funding*". As a consequence, extra points for the qualitative environmental & social benefits have been given in the evaluations for proposals addressing this point.
- h) **Co-ordinated projects for Modal shift, Catalyst and Common learning actions are allowed:** Marco Polo II introduces the possibility to coordinate several small projects for certain action types in order to meet the thresholds (for example, the threshold of 250 million tkm (tonne-kilometre) in modal shift actions). This only applies to Catalyst actions, Modal shift actions and Common learning actions.
- i) **Eligible applicants: exceptionally - submission by a single undertaking of a EU Member State in case of a transport link with a close third country:** Marco Polo II gives the possibility for a project to have only one partner from an EU Member State if the proposal introduces a service from an EU country to a close third country. These are exceptional cases and need therefore justification.
- j) **Vehicle-km in Traffic avoidance actions:** Marco Polo I only considered the concept of tonnes and tkm. The adoption of these measurement units did not allow taking into account empty containers when calculating the modal shift. For Traffic avoidance actions, Marco Polo II introduces the possibility to use vkm (vehicle-kilometre) for the calculation of the minimum threshold of traffic avoidance for this type of action. The definition of vkm is the following: " Movement of a truck, loaded or empty, over a distance of 1 km".



**e) Who manages the Marco Polo II programme?**

Originally the Marco Polo I (2003-2006) and II (2007-2013) programmes were managed by DG Energy and Transport of the European Commission. Since 1 March 2008, the Marco Polo programme management task has been transferred officially from DG Energy & Transport to the Executive Agency for Competitiveness and Innovation (EACI). EACI was established by a Commission decision, inter alia, in order to manage the Marco Polo I and II programmes. The Commission decision setting up the EACI is based on the Council Regulation defining the status of Executive Agencies. This legal framework confers to Executive Agencies their own particular legal statute. Executive Agencies are Community bodies governed by Community law which have the legal personality and enjoy consequently full legal capacity to engage in legal transactions and to manage a Community programme such as Marco Polo, including the implementation of appropriation entered in the Community budget.

**f) How can I request specific information about the Marco Polo II Programme**

In order to keep response times short, please always look first at our website [\[http://ec.europa.eu/marcopolo\]](http://ec.europa.eu/marcopolo) before sending a specific request:

Via the Marco Polo Mailbox [eaci-marco-polo-helpdesk@ec.europa.eu](mailto:eaci-marco-polo-helpdesk@ec.europa.eu)

Via the Helpdesk Line +32 2 29 50924

Via Fax +32 2 29 79506

## **2. Who can participate?**

**a) May projects carried out by a single commercial undertaking receive support?**

As a rule, only consortia of at least two commercial undertakings from two different countries, one of them being an EU Member State, may receive support. The companies need to be established legal entities. The commercial undertakings can be linked or subsidiaries, so that undertaking A controls more than 50% of undertaking B, but must still be established in at least two different countries, one of them being a Member State. Exceptionally, a submission from one undertaking from one single EU Member State is allowed if there is a transport link with a close third country. However, this is an exceptional case and a justification is needed.

**b) Which countries may participate in the Marco Polo II programme?**

First there is a differentiation between "participation" and "being eligible for funding" (the latter also often referred to as full participation):

From day one of the programme undertakings from EU Member States and "*close third countries*", such as all Candidate States, EFTA Countries as well as others due to their geographical proximity are eligible to participate in Marco Polo projects (definition of "*close third countries*" see call text, appendix 1).

However, only costs arising on the territories of EU Member States or countries which have concluded Special Agreements (e.g. Memorandum of Understanding)





with the EU are eligible for Marco Polo funding (see also question on "*Candidate States*" and "*close third countries*").

The practical consequence for calculating the lengths of the transport routes is that only route sections going through participating countries which are eligible for funding are to be used. Such countries are also called "*fully participating countries*". This is important when calculating the tonne-kms figure (modal shift volume), but also to estimate the environmental benefit of the modal shift realised by the freight transport service proposed in the project.

Currently the following countries are fully participating in the Marco Polo programme: Liechtenstein, Iceland and Norway (i.e. all EFTA-EEA countries). Croatia signed a Memorandum of Understanding with the European Commission which - once ratified - will enable Croatian undertakings to take part in the programme. It is expected that Croatia will be a "*fully participating country*" as of the Call for proposals 2009. Please check the MARCO POLO website for the latest information [<http://ec.europa.eu/marcopolo>].

**c) Can undertakings from Candidate Countries participate in the Marco Polo II programme?**

Commercial undertakings from Candidate States, which are scheduled to be joining the EU in the years to come, are welcome to participate in the Marco Polo programme. However, according to financial arrangements required for a full participation of undertakings from these countries, the conclusion of a Special Agreement between the EC and the respective country is needed. Croatia recently signed a Memorandum of Understanding with the European Commission which - once ratified - will enable Croatian undertakings to take part in the programme. Please check the MARCO POLO website for the latest information. [<http://ec.europa.eu/marcopolo>].

Nevertheless, the participation of undertakings from other Candidate States is possible without such a special agreement. However, project costs arising on the territory of these Candidate States are neither eligible for funding under Marco Polo, nor can the environmental benefits generated on their territory contribute to the project key figures.

**d) Which close third countries have concluded special agreements with the EU for full participation in the Marco Polo II programme? What are the effects on contracts?**

Iceland, Liechtenstein, and Norway. Costs arising on the territories of these close third countries are eligible for EC financial support under Marco Polo. Croatia recently signed a Memorandum of Understanding with the European Commission which - once ratified - will enable Croatian undertakings to take part in the programme. Please check the MARCO POLO website for the latest information.



**e) Can administrations participate in Marco Polo II projects?**

No, only commercial undertakings are eligible to participate. However, administrations may be up to 100% owners of a participating commercial undertaking.

**f) Can airports participate as partners?**

Yes, they can if the objective of the project is in line with the programme objectives, e.g. moving freight off the road. An airport can for example be an origin or destination in a transport chain being realised within the programme.

**g) Which ports are eligible for funding under the Marco Polo action Motorways of the sea?**

The eligibility criteria for Motorways of the sea actions foresee that only "category A" ports (i.e. ports with a total annual traffic volume of not less than 1.5 million tonnes of freight or 200,000 passengers) may apply for funding. This is in conformity with the Marco Polo II Regulation (Article 5): "within the European Union such actions shall use the trans-European networks defined in Decision No 1692/96 EC" (as last amended by Decision No. 884/2004/EC, OJ L 201, 7.6.2004, p. 1-55). "Category A ports" are defined in Article 12(2) of the said Decision.

### **3. Funding and eligible costs**

**a) Are national routes eligible?**

No, based on the subsidiarity principle the Marco Polo II Regulation can only support projects with international routes.

**b) Is air transport included?**

No, air transport is not covered by Marco Polo because this mode of transport is not deemed to provide for less external costs than road transport. One of the main aims of Marco Polo is to reduce the amount of road traffic by using transport systems that are normally less damaging to the environment. Likewise, modal shift from air freight to rail or waterborne transport is not eligible in Marco Polo, only road freight shifted or avoided is covered.

**c) Can the EC-subsidy be given in addition to other public funding?**

The EC-subsidy may be given in addition to other public funding, as long as this does not constitute illegal state aid, and as long as the combined public subsidy does not surpass the maximum subsidy rate of eligible costs. This rate is action type dependent: 35% for Modal shift actions, Catalyst actions, Motorways of the sea actions and Traffic avoidance actions; and 50% for Common Learning actions. However, requesting a Marco Polo grant for eligible costs of an action already funded by another EC scheme is not permitted. Neither can a second EC-subsidy from another EC-scheme concerning eligible costs of an action funded under the Marco Polo Programme be granted (no double financing).



#### d) What about infrastructure?

Pure infrastructure projects are not eligible for funding under the Marco Polo programme. However, for Catalyst actions, Motorways of the sea actions and Traffic avoidance actions, ancillary infrastructure (defined as "*the necessary infrastructure to achieve the goals of the actions, including freight-passenger installations*") is eligible for funding under the Marco Polo II programme provided that the following conditions are satisfied:

- The action requires infrastructure works for the timely implementation of a transport service shifting freight off the road, or avoiding freight traffic on the road;
- The infrastructure works are completed within 24 months from the starting date of the action;
- The transport service or traffic avoidance action starts within 3 months from the completion of the infrastructure works; additionally for traffic avoidance actions the agreed total avoidance is achieved within the duration of the subsidy agreement;
- The action is in full compliance with the relevant Community legislation, in particular environmental law.

The total aid granted in the form of State aid and Community financial assistance in respect of ancillary infrastructure shall not exceed 50 % of eligible costs.

#### e) Can profit-making activities be funded under Marco Polo?

No. Marco Polo can only support costs that the beneficiaries incurred while setting up and carrying out a loss-making service as described in their project proposals. Any profit resulting from the service has as a consequence that the subvention will be reduced accordingly.

#### f) Should a Marco Polo project demonstrate its viability in order to receive funding?

Yes, all actions except Common learning actions need to be viable. Generally after the Marco Polo project period, the project must be in such a situation as to be economically viable and continue without the Marco Polo subvention.

## 4. Type of projects and Modal Shift

### a) What are the key guidelines for the different actions?

#### Modal Shift Actions:

- Aid to start-up services
- Robust, but not innovative: - just shift freight off road
- Subsidy of €2 per 500 tkm shifted (**NEW as of 2009!**)
- Minimum subsidy threshold €500,000
- at least 250 million tkm shifted per contract





- Subsidy rate up to 35% of eligible costs
- Subsidy up to 36 months funding period
- No undue distortions of competition
- Viable after subsidy ends

#### Catalyst Actions:

- Overcome structural market barriers
- Highly innovative: *causing a real break through*
- Minimum subsidy threshold €2,000,000
- Subsidy rate up to 35% of eligible costs
- *Ancillary* infrastructure costs may be eligible for funding
- Subsidy up to 60 months funding period
- Dissemination of results
- No undue distortions of competition
- Viable after subsidy ends

#### Common Learning Actions:

- Improve co-operation and sharing of know-how
- Mutual training: *coping with an increasingly complex transport and logistics market*
- Minimum subsidy threshold €250,000
- Subsidy rate up to 50% of eligible costs
- Subsidy up to 24 months funding period
- No undue distortions of competition
- Dissemination of results

#### Motorways of the Sea Actions:

- Modal shift by introducing a door-to-door service of short sea shipping and other modes of transport
- Subsidy of €2 per 500 tkm shifted (**NEW as of 2009!**)
- Minimum subsidy threshold €2,500,000
- Subsidy rate up to 35% of eligible costs
- *Ancillary* infrastructure costs may be eligible for funding
- Subsidy up to 60 months funding period
- Only projects relating to category A ports within the Trans-European Transport Network
- No undue distortions of competition
- Viable after subsidy ends
- Dissemination of results

#### Traffic Avoidance Actions:

*Integrating transport into production logistics to avoid a large percentage of freight transport by road without adversely affecting production output or workforce*



- Subsidy of €2 per 500 tkm shifted or € 2 per 25 vehicle-kilometres of road freight (**NEW as of 2009!**)
- Minimum subsidy threshold €1,000,000
- Subsidy rate up to 35% of eligible costs
- *Ancillary* infrastructure costs may be eligible for funding
- Subsidy up to 60 months funding period
- An actual, measurable and sustainable traffic avoidance of at least 10% of the freight volume
- No undue distortions of competition
- Not adversely affecting production output or workforce
- Dissemination of results

**b) Does the minimum threshold of 250 Million tonne-kms for modal shift actions apply per year?**

No, the minimum threshold for modal shift actions refers to the total duration of the contract for modal shift actions, which may be up to 36 months. Please note that is possible (for Modal shift, Catalyst and Common learning actions only) to coordinate several small projects to meet the threshold.

**c) Can tonnes-km be replaced by another unit in the case of light goods?**

As an **alternative for light goods** the volume equivalent “freight tonnes” measured in m<sup>3</sup> may be used by the applicant. This means, that **4 cubic metre-kilometre (m<sup>3</sup>km) shall be equivalent to 1 tonne-kilometre (tkm)**, and all calculations and key-figures throughout the proposal are to be presented in analogy to the tonne-kilometre case. The choice of basic unit m<sup>3</sup>km or tkm must be clearly specified by the applicant.

**d) How are the modal shift and environmental/social benefits calculated for waterborne routes between a fully participating and a close third country?**

If part of the new modally shifted route is a waterborne route between a fully participating country and a close third country, sea routes to non eligible third countries may be calculated until the foreign port (for ex. Italy to Tunisia). This procedure applies for all sea routes to close third countries (e.g. Russia, Morocco or Turkey) but also for inland waterways where the river constitutes the border between a fully participating and a third country, e.g. the Danube between Romania and Serbia. Only the modal shift in the EU part/territory of a fully participating third country can be taken into account for the modal shift calculations and for the calculation of eligible costs.

**e) Can empty vehicles (or loading units) be counted as freight to be shifted, e.g. on Ro-Ro vessels?**

No, all calculations on modal shift have to be based on the net freight, i.e. without loading units, trucks, etc. Hence, inclusion of backflows of empty loading units or trucks is not allowed. However the tonne-kilometres shifted should also lead to a considerable decrease in vehicle-km which has a direct impact on congestion and emissions. The transport of empty trucks on alternative transport modes (ships,



trains, etc.) should be referred to the benefits gained in reduction of congestion and emissions, as it could qualify for extra points in the qualitative environmental assessment. For Traffic avoidance actions, there is a possibility to use vehicle-kilometres ("*the movement of a truck, loaded or empty, over a distance of one kilometre*") when calculating the minimum threshold of freight traffic avoided for this action type (25 million vehicle-kilometres).

**f) Is there any restriction on eligible modal shifts?**

Yes, only modal shifts off the road towards short sea shipping, inland waterway and rail are eligible for Marco Polo support. This means that, for instance shifts between the above non-road modes are not eligible, e.g. modal shift from rail to inland waterway is not eligible for support.

**g) Can the internal industrial re-organisation of a company changing the mode of transporting goods from road to another environmentally friendly mode of transport be considered as modal shift?**

Yes, but only in certain cases. Let's take the example of an industrial manufacturer who submits a project consisting of a purely internal reorganisation, e.g. shifting internal distribution routes from road to rail. As such, the project would not generate any revenue and would therefore not be able to demonstrate the loss-making nature of the new service introduced. In order to be considered for funding, the proposal should instead include a cost analysis comparing the previous road service to the modally shifted one. Moreover, the proposal should show that during the project lifetime road transport would generate lower costs than the modally shifted line, but that by the end of the contract the latter service would be economically more advantageous and viable.

## 5. Call for proposals

**a) When can I submit a proposal?**

Project proposals may officially only be submitted when a call has been published. The call will appear in the EC's Official Journal and on the Marco Polo homepage and will specify all details. Calls are published annually, usually in the first quarter of a year. Note that the content of calls is quite similar each year, but some details may change from year to year. For more up-to-date information, please visit our website [<http://ec.europa.eu/marcopolo>].

**b) How many calls are foreseen under the Marco Polo II programme?**

It is planned to launch a call for proposals annually at the beginning of each year. Marco Polo II runs until 31 December 2013, therefore the last call is foreseen for the 1<sup>st</sup> quarter of 2013.



**c) What is the overall timeline of the 2009 Call for proposals?**

**2009 CALL indicative planning (subject to change)**

- *(indicative budget about €60 million)*
- Around mid/end January 2009: Publication of 2009 call for proposals
- April 2009: Closing date for submission of application
- May 2009: Opening of applications
- June/July 2009: Estimated date for Report on Evaluation by Evaluation Committee
- End of August/September 2009: Estimated date of notification of applicants and start of contract negotiations
- November 2009 - February 2010 Estimated period for co-decision process with Member States and Parliament (comitology rules)
- March 2010: Estimated date for signature of EC subsidy contracts

**d) What are the key novelties of the 2009 Call for Proposals?**

The 2009 Call for proposals will have an indicative budget of €60 million. The key novelty will be the doubling of the funding intensity from 1 € to 2 € per 500 tonne-kms shifted.

**e) Can I apply for more than one project in a single call?**

Yes, but please submit the projects as separate proposals (in separate envelopes) to avoid confusion.

**f) Will the call texts be available in all languages?**

The publication of the announcement of a call in the Official Journal of the EC will be published in all 23 official languages of the EU. The full call text is only available in English. Since the recent EU enlargements, the availability of translation services is very restricted. Extensive translations would thus cause unacceptable delays for launching a call.

**g) Can applicants submit additional material to their proposal after the deadline of submission?**

No! Since it is a competitive evaluation of proposals, such an addition would be unfair to the other applicants. Please therefore do not send us any additional documents after the deadline.

**h) Is it possible to combine several projects in one application?**

It is not allowed to mix several action types; only one submission of one action type is allowed. However, for Modal shift - Catalyst- and Common learning actions, it is permitted to submit several coordinated projects of a Modal shift action for example, in order to meet the minimum threshold of 250 million tkm of modal shift in the project period.



## **6. Additional Information**

### **a) Is it possible to have some feedback on a project idea in advance of a formal call for proposals?**

Yes, the Marco Polo Helpdesk is open all year round to assist potential applicants. It can be reached:

Via the Marco Polo Mailbox [eaci-marco-polo-helpdesk@ec.europa.eu](mailto:eaci-marco-polo-helpdesk@ec.europa.eu)

Via the Helpdesk Line +32 2 29 50924

Via Fax +32 2 29 79506

However, in order to efficiently discuss your project idea and to cope with demand, please use the information given at the Marco Polo website before contacting the Helpdesk for detailed discussions or asking for an appointment at our offices. Furthermore, there are a number of events (Marco Polo Info Days and Conferences) which offer you the opportunity to raise your questions and/or set up individual meetings with the Marco Polo team of the EACI to discuss all aspects related to your project. We can unfortunately not receive potential applicants in our premises during an open call for proposals.

### **b) What will be the consequences of the proposed revision of the Marco Polo II Regulation?**

On 10 December 2008 the European Commission adopted a proposal for a revision of the Marco Polo II Regulation (Regulation 1692/2006). The main aim of the proposed revision is to increase the effectiveness of the Marco Polo II programme. Four kinds of amendments are proposed. First, measures to facilitate participation by small enterprises; second, measures lowering the tonne-kilometre thresholds for eligibility; third, raising funding intensity; and fourth, simplification of the Programmes procedures. The proposal can be found on our website [<http://ec.europa.eu/marcopolo>].

The proposal will now have to be approved by the European Parliament and Council, before it can be adopted. The provisions of the proposal will therefore only come into effect once the proposal has been adopted and the new Regulation will enter into force.

